Manitoba

Annual Report 1987 - 88

Milk Prices Review Commission

E R R A T A ..... Page 13, should read:

for the year ended March 31, 1988

90-00290/

MANITOBA MILK PRICES REVIEW COMMISSION
903 - 401 YORK AVENUE
WINNIPEG, MANITOBA
R3C 0P8

TELEPHONE 945-4935
AREA CODE 204

The Honourable G. Findlay
Minister of Agriculture
Province of Manitoba
R3C 0V8

Dear Sir:

Pursuant to the requirements of Section 7, subsection (1) of The Milk Prices Review Act it is my pleasure to present to you the Annual Report of the Manitoba Milk Prices Review Commission for the year ended March 31, 1988.

Respectfully submitted,

Daryl F. Kraft
Chairperson

DFK/rab

Minister of
Agriculture

Room 165
Legislative Building
Winnipeg, Manitoba, CANADA
R3C 0V8

To His Honour,
George Johnson,
Lieutenant Governor for
the Province of Manitoba

Your Honour:

I have the honour to present herewith the Annual Report of The Manitoba Milk Prices Review Commission for the year ended March 31, 1988.

Yours respectfully,

Glen M. Findlay
Minister

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MEMBERS OF THE

MANITOBA MILK PRICES REVIEW COMMISSION

as at March 31, 1988

Dr. Paul Phillips	Chairperson
Mr. Ray Matheson	Vice-Chairperson
Mr. Oli Narfason	Member
Ms. Marie-Blanche Oliviero	Member
Mr. Fernand Paquin	Member
Mr. Adrian Strutinsky	Executive Secretary

INTRODUCTION

The Milk Prices Review Act assented to by the Legislative Assembly of Manitoba on July 29, 1980, governs the activities of the Commission. Responsibilities originally assigned to the Commission under the Act included the development and maintenance of a producer cost of production formula as the basis for fixing prices at other levels in the fluid milk industry and the authority to establish the maximum and/or minimum prices for milk sold to consumers as deemed necessary.

Considerable effort in 1987/88 was associated with the statute amendment process, initiated in 1986/87, which culminated in the proclamation of amendments to The Milk Prices Review Act on February 1, 1988. The amendment package, discussed in more detail later in this report, included expansion of the Commission's mandate to include wholesale price control. Previously, wholesale prices had been controlled by the Manitoba Fluid Milk Commission operating under The Manitoba Natural Products Marketing Act.

The Commission in 1987/88 maintained extensive contact with the Manitoba Milk Producers' Marketing Board, the Manitoba Milk Producers' Co-op Inc., Manitoba milk processors and independent distributors, the Manitoba Dairy Association, Manitoba retailers, the Canadian Federation of Independent Grocers and the Consumers'

Association of Canada, Manitoba Branch. Contacts were established and maintained with similar authorities and agencies in other jurisdictions. Future contact with these and other industry representatives are viewed as vital by the Commission.

PRODUCER MATTERS

1. PRODUCER PRICE CHANGE

The Commission continued to monitor the results of its costs of production formula on a monthly basis. However, due to generally stable prices of inputs, no Class 1 price change occurred during 1987/88. Similarly, no change occurred in the butterfat differential applicable to fluid milk sales. As of March 31, 1988, the Class 1 price remained at $51.90/Hl (established in January, 1987) with a fluid milk butterfat differential of $0.52 per 0.1 kg of butterfat above/below the provincial standard of 3.6 kg of butterfat per hectolitre.

2. PRODUCER COST OF PRODUCTION

During 1987/88 the Commission maintained an ongoing dialogue with the Manitoba Milk Producers' Marketing Board regarding the Board's cost of production study based on computerized individual producer records. While corresponding results generated by both the Board's and Commission's formulae were examined in some detail, no decision had been made by year's end regarding the

possible usage of Board-generated cost data in the Commission's opportunity cost formula.

In January, 1988, the Board presented a request to the Commission to have the cost of butterfat (component) testing included in the Commission's cost of production formula. As of March 31, 1988, the Commission had not completed all aspects of its review and consideration of this request.

PROCESSOR, JOBBER AND RETAILER MATTERS

1. WHOLESALE PRICE CHANGE

While neither wholesale or retail prices were adjusted in 1987/88, a number of formal requests were received in December, 1988 from the processing sector for the Commission to conduct a price and margin review at that level. After consideration of the requests for a review, the Commission decided upon a two stage review which would first examine the then current financial situation being experienced by the processing sector (preliminary 1987 data was requested in February, 1988) and second, if the preliminary 1987 financial analysis indicated that a full review of processing margins was warranted, review meetings would be held with the fluid trade at large in a thorough examination of margins at the wholesale, jobber and retail levels. It was anticipated that the first stage of the review would be completed early in the new fiscal year with trade meetings, if warranted, to follow soon thereafter.

2. AMENDMENTS TO THE MILK PRICES REVIEW ACT

Amendments to The Milk Prices Review Act, initiated early in 1986/87 and assented to on July 17, 1987, were proclaimed February 1, 1988. The amendments streamlined the ongoing system of milk price controls by eliminating the Manitoba Fluid Milk Commission and transferring its authority and responsibilities to the Milk Prices Review Commission. The Fluid Milk Commission had been created as a temporary measure in 1984 under The Natural Products Marketing Act to control wholesale milk prices as required. This consolidation of legislated authority was undertaken to reduce administration costs and eliminate confusion regarding the operation of the control system.

Another aspect of the amendments included clarification and strengthening of the Act's Prohibition Section, implemented to lend legislative support and assistance to the enforcement of the control system's minimum retail price control. In addition, provision was introduced for the Commission to formally approve commercial promotions of fluid milk related directly or indirectly to minimum retail prices as determined by the Commission.

Finally, the amendments updated the fine levels associated with prosecution for contravention of any of the Act's provisions. The former $100-$3,000 fine range was increased to a range of $500-$5,000.

The regulations required to be filed so as to implement the amendments are included in Section III of this report. Wholesale/jobber and retail prices in effect as of March 31, 1988 (Manitoba Regulation 43/88 and 44/88, respectively) are included in Section III of this report.

3. ENFORCEMENT OF WHOLESALE AND RETAIL PRICES

During 1987/88, the Commission continued to actively investigate possible contraventions of The Milk Prices Review Act. Prosecution proceedings, initiated in late 1986/87 against two Winnipeg retailers - one corporate chain and one independent retailer - were not ultimately resolved in the courts during 1987/88. As a result, as of March 31, 1988, both cases were still before the courts.

INTERNAL MATTERS

The five member Manitoba Milk Prices Review Commission met eight times during the reporting year in the course of performing its duties. The Manitoba Fluid Milk Commission, established by Manitoba Regulation 35/84 on March 1, 1984 under The Natural Products Marketing Act, met for the last time on January 6, 1988. Manitoba Regulation 42/88, included in Section III of this report, repealed the Marketing Plan of the Fluid Milk Commission which had been comprised of the same membership as the Milk Prices Review Commission.

The Commission's daily activities were performed by Adrian W. Strutinsky, serving as Executive Secretary and Jessie R. Mamaril as Secretary-Bookkeeper. The Commission's staff are provided by the Economics Branch, Manitoba Agriculture.

The Commission retained Ms. Dianne Flood, Justice Division of the Provincial Attorney General's Department as legal ccunsel. The firm of Coopers and Lybrand continued to be retained as financial analysts. The audit of Commission finances was performed by the Provincial Auditor's Office.

Manitoba

Office of the Provincial Auditor

THE MANITOBA MILK PRICES REVIEW COMMISSION

Auditor's Report and Financial Statements
for the year ended March 31, 1987

Manitoba

THE MANITOBA MILK PRICES REVIEW COMMISSION

REPORT OF THE PROVINCIAL AUDITOR'S OFFICE

We have examined the financial statements, being Exhibits A and B, of The Manitoba Milk Prices Review Commission for the fiscal year ended March 31, 1988. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests and other procedures as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Commission as at March 31, 1988 and the results of its operations for the year then ended in accordance with the accounting policies stated in note 2 to the financial statements applied on a basis consistent with that of the preceding year.

F. H. Jackson, CA,
Provincial Auditor.

August 15, 1988,
Winnipeg, Manitoba.

EXHIBIT A

THE MANITOBA MILK PRICES REVIEW COMMISSION

Balance Sheet
as at March 31, 1988
(with 1987 figures for comparison)

	1988	1987
ASSETS		
Current Assets:		
Cash	$ 5,291	$ 14,760
Account receivable	-	173
Prepaid expense	-	444
	$ 5,291	$ 15,377
LIABILITIES AND UNEXPENDED FUNDS		
Current Liabilities:		
Accounts payable and accrued liabilities	$ 5,023	$ 2,077
Unexpended funds, Exhibit B	268	13,300
	$ 5,291	$ 15,377

EXHIBIT B

THE MANITOBA MILK PRICES REVIEW COMMISSION

Statement of Revenue and Expenditure and Unexpended Funds
for the year ended March 31, 1988
(with 1987 figures for comparison)

	1988	1987
Revenue:		
Grant from the Government of the Province of Manitoba	$ 12,482	$ 29,968
Interest	334	234
	12,816	30,202
Expenditure:		
Annual report	587	583
Commission - per diem and benefits	2,704	3,921
- travel	5,290	4,265
Office and postage	5,123	2,117
Professional fees	9,072	7,789
Salaries and benefits (note 3)	-	1,898
Sundry	2,414	1,039
Telephone	658	560
	25,848	22,172
Revenue (under) over expenditure	(13,032)	8,030
Unexpended funds, beginning of the year	13,300	5,270
Unexpended funds, end of the year, Exhibit A	$ 268	$ 13,300

THE MANITOBA MILK PRICES REVIEW COMMISSION

Notes to Financial Statements
for the year ended March 31, 1988

1. Nature of the Commission

The Milk Prices Review Act was enacted effective September 29, 1980. This Act established The Manitoba Milk Prices Review Commission to monitor prices of fluid milk, to set the price at which milk may be sold by a producer for use as fluid milk and, if necessary, to set maximum and/or minimum prices at which fluid milk may be sold to consumers.

2. Accounting Policies

a) The Commission uses the accrual basis of accounting except for office equipment purchases which are charged to operations in the year of acquisition.

b) The financial statements do not reflect services provided free of charge by the Government of the Province of Manitoba.

3. Services Provided by the Government of the Province at no Charge

The Government of the Province of Manitoba provides the services of an Executive Secretary, office accommodations, miscellaneous administrative services and effective May 1, 1986 the services of a bookkeeper at no charge to the Commission. The estimated cost of such services for this year is $70,000.

4. The Manitoba Fluid Milk Commission

The Manitoba Fluid Milk Commission was established effective March 1, 1984 by regulation under the Natural Products Marketing Act. The Manitoba Fluid Milk Commission could set maximum and/or minimum or fixed prices at which fluid milk may be sold by a distributor or processor. The members of The Manitoba Fluid Milk Commission were also members of The Manitoba Milk Prices Review Commission. Administrative services for The Manitoba Fluid Milk Commission were provided by staff of The Manitoba Milk Prices Review Commission and the Government of the Province of Manitoba without charge. As of February 1, 1988, this Commission was dissolved by Regulation 42/88 and its responsibilities assumed by The Manitoba Milk Prices Review Commission.

"George Johnson".
Lieutenant-Governor.

CANADA
PROVINCE OF MANITOBA

ELIZABETH THE SECOND, by the Grace of God of The United Kingdom, Canada and Her other Realms and Territories QUEEN, Head of the Commonwealth, Defender of the Faith.

A PROCLAMATION

To all to whom these presents shall come — GREETING:

WHEREAS Section 10 of An Act to amend The Milk Prices Review Act, being chapter 15 of the Statutes of Manitoba, 1987-88, provides as follows:

"10 This Act comes into force on a day fixed by proclamation".

AND WHEREAS it is deemed expedient that An Act to amend The Milk Prices Review Act aforesaid should should come into force on, from and after February 1, 1988;

NOW KNOW YE THAT by and with the advice and consent of Our Executive Council of Our Province of Manitoba, by virtue of the Provisions of the said Act above referred to, and of all other power and authority whatsoever in Us vested in that behalf, We have ordered and declared and do hereby proclaim that the 1st day of February, 1988, is fixed as the day on which An Act to amend The Milk Prices Review Act, being chapter 15 of the Statutes of Manitoba 1987-88, shall come into force.

IN TESTIMONY WHEREOF We have caused these Our Letters to be made Patent, and the Great Seal of Our Province of Manitoba to be hereunto affixed;

WITNESS, His Honour George Johnson, Lieutenant-Governor of Our said Province of Manitoba;

AT OUR GOVERNMENT HOUSE, at Our City of Winnipeg, in the Province of Manitoba, this thirteenth day of January, in the year of Our Lord one thousand nine hundred and eighty-eight, and in the thirty-sixth year of Our Reign.

BY COMMAND,

"V. SCHROEDER",
Attorney-General.

"George Johnson"
Lieutenant-gouverneur

CANADA
PROVINCE DU MANITOBA

ELIZABETH II, par la grâce de Dieu, REINE du Royaume-Uni, du Canada et de ses autres royaumes et territoires, Chef du Commonwealth, Défenseur de la Foi.

PROCLAMATION

À tous ceux à qui les présentes parviennent, SALUT.

ATTENDU QUE l'article 10 de la Loi modifiant la Loi sur le contrôle du prix du lait, chapitre 15 des Lois du Manitoba de 1987-1988, prévoit ce qui suit :

"10 La présente loi entre en vigueur par proclamation.";

ATTENDU QU'il est jugé opportun que la loi susmentionnée entre en vigueur le 1er février 1988;

SACHEZ DONC MAINTENANT QUE conformément à l'avis de Notre Conseil exécutif pour la province du Manitoba, en vertu des dispositions de la loi susmentionnée et de tous les pouvoirs et attributions qui Nous sont conférés à cette fin, Nous, par la présente proclamation, déclarons et ordonnons que la Loi modifiant la Loi sur le contrôle du prix du lait, chapitre 15 des Lois du Manitoba de 1987-1988, entre en vigueur le 1er février 1988.

EN FOI DE QUOI Nous avons fait délivrer les présentes Lettres patentes et à icelles fait apposer le Grand Sceau de Notre province du Manitoba.

TÉMOIN: George Johnson, lieutenant-gouverneur de Notre province du Manitoba.

EN NOTRE PALAIS DU GOUVERNEMENT, en Notre Ville de Winnipeg, dans la province du Manitoba, ce treizième jour de janvier en l'an de grâce mil neuf cent quatre-vingt-huit, dans la trente-sixième année de Notre Règne.

PAR ORDRE.

"V. SCHROEDER"
Le procureur général.

THE NATURAL PRODUCTS MARKETING ACT
(C.C.S.M. c. N20)

Fluid Milk Wholesale Price Order, repeal

Regulation 40/88
Filed January 18, 1988

Fluid Milk Wholesale Price Order repealed

1 The Fluid Milk Wholesale Price Order, Manitoba Regulation 203/85, as amended by Manitoba Regulation 285/86, is repealed.

Coming into force

2 This regulation comes into force on February 1, 1988.

January 6, 1988

THE MANITOBA FLUID MILK COMMISSION:

Paul Phillips
Chairperson

Adrian W. Strutinsky
Secretary

THE NATURAL PRODUCTS MARKETING ACT
(C.C.S.M. c. N20)

Manitoba Regulation 37/84, repeal

Regulation 41/88
Filed January 18, 1988

Manitoba Regulation 37/84 repealed

1 Manitoba Regulation 37/84 is repealed.

Coming into force

2 This regulation comes into force on February 1, 1988.

January 6, 1988

THE MANITOBA FLUID MILK COMMISSION:

Paul Phillips
Chairperson

Adrian W. Strutinsky
Secretary

THE NATURAL PRODUCTS MARKETING ACT
(C.C.S.M. c. N20)

Manitoba Fluid Milk Marketing Plan, repeal

Regulation 42/88
Filed January 18, 1988

Manitoba Fluid Milk Marketing Plan repealed

1 The Manitoba Fluid Milk Marketing Plan, Manitoba Regulation 35/84, as amended by Manitoba Regulation 164/84, is repealed.

Coming into force

2 This regulation comes into force on February 1, 1988.

LOI SUR LA COMMERCIALISATION DES PRODUITS NATURELS
(C.P.L.M., c. N20)

Abrogation du programme manitobain de commercialisation du lait de consommation

Règlement 42/88
Date de dépôt : le 18 janvier 1988

Abrogation du programme manitobain de commercialisation du lait de consommation

1 Le programme manitobain de commercialisation du lait de consommation, règlement du Manitoba 35/84 modifié par le règlement du Manitoba 164/84, est abrogé.

Entrée en vigueur

2 Le présent règlement entre en vigueur le 1er février 1988.

THE MILK PRICES REVIEW ACT
(C.C.S.M. c. M130)

Wholesale Milk Prices Order

Regulation 43/88
Filed January 18, 1988

Definitions

1 In this regulation,

"Class 1 milk" means fluid milk that is homogenized milk, 2% milk, skim milk or 2% chocolate milk;

"total purchases" means the amount of Class 1 milk purchased for sale at a separate and distinct premises or location at which fluid milk is sold by a purchaser.

Container sizes

2 Unless prior written permission is obtained from the Commission, no manufacturer, processor, jobber or distributor shall sell Class I milk to any person except in a container of one of the following sizes:

(a) 114 millilitre;
(b) 250 millilitre;
(c) 500 millilitre;
(d) 1 litre;
(e) 2 litre;
(f) 4 litre;
(g) 10 litre;
(h) 20 litre.

Areas

3 For the purposes of this order, the following are designated as areas:

(a) the area within the boundaries of the City of Winnipeg, to be called "the Winnipeg area";
(b) the area within the boundaries of the Town of Selkirk, to be called "the Selkirk area";
(c) the area within the boundaries of the Town of Winkler, to be called "the Winkler area";
(d) the area within the boundaries of the City of Brandon, to be called "the Brandon area".

Wholesale prices

4(1) In any month, the maximum and minimum prices set out in Schedule A are those at which Class 1 milk shall be sold if

(a) the sale takes place in an area referred to in section 3; and
(b) the sale is made by a manufacturer, processor, jobber or distributor to any purchaser, other than a jobber or a consumer.

4(2) The maximum and minimum prices set out in Schedule B are those at which Class 1 milk shall be sold by a manufacturer, processor or distributor to a jobber, where the sale takes place in any area referred to in section 3.

Rural transportation differentials

5 Where Class I milk is sold for delivery outside an area referred to in section 3, the prices established under section 4 shall be increased by the applicable rural transportation differential as set out in Schedule C.

SCHEDULE A
(Subsection 4(1))

WHOLESALE PRICES FOR SALES TO PURCHASERS OTHER THAN JOBBERS AND CONSUMERS

1 Where total purchases of Class 1 milk in the preceding month are 1600 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.29	.485	.85	1.68	3.30	17.15
2% milk	.285	.47	.82	1.62	3.18	16.55
Skim milk	.27	.44	.76	1.50	2.94	15.35
Chocolate milk 2%	.32	.54	.96	1.90	3.74	19.35

2 Where total purchases of Class 1 milk in the preceding month exceed 1600 litres and are 3200 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.29	.48	.84	1.66	3.26	16.95
2% milk	.28	.465	.81	1.60	3.14	16.35
Skim milk	.27	.435	.75	1.48	2.90	15.15
Chocolate milk 2%	.32	.535	.95	1.88	3.70	19.15

3 Where total purchases of Class 1 milk in the preceding month exceed 3200 litres and are 4800 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.29	.475	.83	1.64	3.22	16.75
2% milk	.28	.46	.80	1.58	3.10	16.15
Skim milk	.265	.43	.74	1.46	2.86	14.95
Chocolate milk 2%	.315	.53	.94	1.86	3.66	18.95

4 Where total purchases of Class 1 milk in the preceding month exceed 4800 litres and are 6400 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.285	.47	.82	1.62	3.18	16.55
2% milk	.28	.455	.79	1.56	3.06	15.95
Skim milk	.26	.425	.73	1.44	2.82	14.75
Chocolate milk 2%	.31	.525	.93	1.84	3.62	18.75

5 Where total purchases of Class 1 milk in the preceding month exceed 6400 litres and are 8000 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.28	.465	.81	1.60	3.14	16.35
2% milk	.275	.45	.78	1.54	3.02	15.75
Skim milk	.26	.42	.72	1.42	2.78	14.55
Chocolate milk 2%	.31	.52	.92	1.82	3.58	18.55

6 Where total purchases of Class 1 milk in the preceding month exceed 8000 litres and are 12000 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.28	.46	.80	1.58	3.10	16.15
2% milk	.27	.445	.77	1.52	2.98	15.55
Skim milk	.26	.415	.71	1.40	2.74	14.35
Chocolate milk 2%	.31	.515	.91	1.80	3.54	18.35

7 Where total purchases of Class 1 milk in the preceding month exceed 12000 litres and are 16000 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.28	.455	.79	1.56	3.06	15.95
2% milk	.27	.44	.76	1.50	2.94	15.35
Skim milk	.255	.41	.70	1.38	2.70	14.15
Chocolate milk 2%	.305	.51	.90	1.78	3.50	18.15

8 Where total purchases of Class 1 milk in the preceding month exceed 16000 litres and are 20000 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.275	.45	.78	1.54	3.02	15.75
2% milk	.27	.435	.75	1.48	2.90	15.15
Skim milk	.25	.405	.69	1.36	2.66	13.95
Chocolate milk 2%	.30	.505	.89	1.76	3.46	17.95

9 Where total purchases of Class 1 milk in the preceding month exceed 20000 litres and are 28000 litres or less, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.27	.445	.77	1.52	2.98	15.55
2% milk	.265	.43	.74	1.46	2.86	14.95
Skim milk	.25	.40	.68	1.34	2.62	13.75
Chocolate milk 2%	.30	.50	.88	1.74	3.42	17.75

10 Where total purchases of Class 1 milk in the preceding month exceed 28000 litres, the maximum and minimum price is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.27	.44	.76	1.50	2.94	15.35
2% milk	.26	.425	.73	1.44	2.82	14.75
Skim milk	.25	.395	.67	1.32	2.58	13.55
Chocolate milk 2%	.30	.495	.87	1.72	3.38	17.55

SCHEDULE B
(Subsection 4(2))

WHOLESALE PRICES FOR SALES TO JOBBERS

The maximum and minimum price for sales to jobbers is as follows:

Container Sizes	250 ml	500 ml	1L	2L	4L	20L
Homogenized milk	.23	.395	.70	1.38	2.70	14.15
2% milk	.225	.38	.67	1.32	2.58	13.55
Skim milk	.21	.35	.61	1.20	2.34	12.35
Chocolate milk 2%	.26	.45	.81	1.60	3.14	16.35

SCHEDULE C
(Section 5)

RURAL TRANSPORTATION DIFFERENTIALS

1 TRANSPORTATION DIFFERENTIALS FOR DISTANCES UP TO AND INCLUDING 200 KILOMETERS FROM DESIGNATED AREAS:

The following differentials applies with respect to all designated areas referred to in section 3 of the regulation:

Distance from nearest designated area	Differential per litre (Non-Cumulative)
20 kilometers or less	1 cent
over 20 kilometers, up to and including 50 kilometers	3 cents
over 50 kilometers, up to and including 80 kilometers	4 cents
over 80 kilometers, up to and including 110 kilometers	5 cents
over 110 kilometers, up to and including 140 kilometers	6 cents
over 140 kilometers, up to and including 170 kilometers	7 cents
over 170 kilometers, up to and including 200 kilometers	8 cents

2 TRANSPORTATION DIFFERENTIAL FOR DISTANCES EXCEEDING 200 KILOMETERS FROM DESIGNATED AREAS:

(a) Where the nearest designated area is the Winnipeg area or the Selkirk area, the following differentials applies:

Distance from Winnipeg or Selkirk area	Differential per litre
over 200 kilometers, up to and including 230 kilometers	8 cents

(b) Where the nearest designated area is the Brandon area, the following differentials applies:

Distance from Brandon area	Differential per litre
over 200 kilometers, up to and including 350 kilometers	8 cents

Coming into force
6 This regulation comes into force on February 1, 1988.

January 6, 1988

MANITOBA MILK PRICES REVIEW COMMISSION:

Paul Phillips
Chairperson

Adrian W. Strutinsky
Secretary

THE MILK PRICES REVIEW ACT
(C.C.S.M. c. M130)

Retail Milk Prices Order

Regulation 44/88
Filed January 18, 1988

Definition
1 In this regulation, "Class 1 milk" means fluid milk that is homogenized milk, 2% milk, skim milk or 2% chocolate.

Container size
2 Unless prior written permission is obtained from the Commission, no retailer, manufacturer, processor or jobber shall sell Class I milk to a consumer except in a container of one of the following sizes:
(a) 250 millilitre;
(b) 500 millilitre;
(c) 1 litre;
(d) 2 litre; or
(e) 4 litre.

Areas
3 For the purposes of this order, the following are designated as areas:
(a) the area within the boundaries of the City of Winnipeg, to be called "the Winnipeg area";
(b) the area within the boundaries of the Town of Selkirk, to be called "the Selkirk area";
(c) the area within the boundaries of the Town of Winkler, to be called "the Winkler area";
(d) the area within the boundaries of the City of Brandon, to be called "the Brandon area".

Minimum and maximum prices
4(1) Except as provided in subsection (2), the minimum and maximum prices at which Class I milk shall be sold by a retailer, manufacturer, processor or jobber to a consumer in any area referred to in section 3 are those set out in Schedule A.

4(2) The maximum prices set out in Schedule A do not apply to milk sold to a consumer by home delivery.

Rural transportation differentials
5 Where Class I milk is sold for delivery outside any area referred to in section 3, the prices established under section 4 shall be increased by the applicable rural transportation differential as set out in Schedule B.

Repeal
6 Manitoba Regulation 38/84, Manitoba Regulation 168/84, as amended by Manitoba Regulations 171/85, 205/85 and 284/86, and Manitoba Regulation 101/78, as amended, are repealed.

Coming into force
7 This regulation comes into force on February 1, 1988.

January 6, 1988

MANITOBA MILK PRICES REVIEW COMMISSION:

Paul Phillips
Chairperson

Adrian W. Strutinsky
Secretary

SCHEDULE A
(Section 4)

MINIMUM RETAIL PRICES FOR CLASS I MILK

Container Size	250 ml	500 ml	1L	2L	4L
Homogenized milk	.30	.50	.88	1.74	3.42
2% milk	.29	.49	.85	1.68	3.30
Skim milk	.28	.46	.79	1.56	3.06
Chocolate milk 2%	.33	.56	.99	1.96	3.86

MAXIMUM RETAIL PRICES FOR CLASS I MILK

Container Size	250 ml	500 ml	1L	2L	4L
Homogenized milk	.32	.53	.94	1.86	3.66
2% milk	.31	.52	.91	1.80	3.54
Skim milk	.29	.49	.85	1.68	3.30
Chocolate milk 2%	.34	.59	1.05	2.08	4.10

SCHEDULE B
(Section 5)

RURAL TRANSPORTATION DIFFERENTIALS

1 TRANSPORTATION DIFFERENTIALS FOR DISTANCES UP TO AND INCLUDING 200 KILOMETERS FROM DESIGNATED AREAS:

The following differentials applies with respect to all designated areas referred to in section 5 of the regulation:

Distance from nearest area	Differential per litre (Non-Cumulative)
20 kilometers or less	1 cent
over 20 kilometers, up to and including 50 kilometers	3 cents
over 50 kilometers, up to and including 80 kilometers	4 cents
over 80 kilometers, up to and including 110 kilometers	5 cents
over 110 kilometers, up to and including 140 kilometers	6 cents
over 140 kilometers, up to and including 170 kilometers	7 cents
over 170 kilometers, up to and including 200 kilometers	8 cents

2 TRANSPORTATION DIFFERENTIAL FOR DISTANCES EXCEEDING 200 KILOMETERS FROM DESIGNATED AREAS:

(a) Where the nearest designated area is the Winnipeg area or the Selkirk area, the following differentials applies:

Distance from Winnipeg or Selkirk area	Differential per litre
over 200 kilometers, up to and including 230 kilometers	8 cents

(b) Where the nearest designated area is the Brandon area, the following differentials applies:

Distance from Brandon area	Differential per litre
over 200 kilometers, up to and including 350 kilometers	8 cents